

## DISPOSAL AGREEMENT

THIS DISPOSAL AGREEMENT is entered into as of October 1, 2012, by and among Penobscot Energy Recovery Company, Limited Partnership, USA Energy Group, LLC, ESOCO Orrington, LLC, Casella Waste Systems, Inc., Pine Tree Waste, Inc., and New England Waste Services of ME, Inc.

### RECITALS:

WHEREAS, PERC and Pine Tree are each parties to the Waste Disposal Agreement;

WHEREAS, PERC and Pine Tree are each parties to the Interruptible Contract;

WHEREAS, PERC and NEWSME are each parties to the OBW Agreement;

WHEREAS, PERC and NEWSME are each parties to the Ash Agreement;

WHEREAS, PERC and NEWSME are each parties to the FEPR Agreement;

WHEREAS, PERC and NEWSME are each parties to the Bypass Agreement and the Bypass Agreement Amendment;

WHEREAS, PERC and NEWSME are each parties to the Addendum;

WHEREAS, ESOCO is the operator of the PERC Facility; and

WHEREAS, Casella and PERC Holdings, LLC (on behalf of USAE) on January 28, 2012 executed a letter agreement setting forth the general terms by which Casella and its subsidiaries on one hand, and PERC on the other hand, shall continue their business relationship by consolidating and clarifying their respective rights and obligations concerning or relating to the delivery of Acceptable Waste by Casella to the PERC Facility, the delivery of Acceptable Waste by PERC to one or more Casella Facilities; and the transportation by Casella of certain of the above waste streams.

NOW, THEREFORE, for and in consideration of the preceding recitals and the mutual release, and other good and valuable consideration, provided for herein, the parties hereto agree as follows:

### 1. DEFINITIONS

The terms defined in this Section 1 (except as may be otherwise expressly provided in this Agreement or unless the context otherwise requires) shall, for all purposes of this Agreement, have the following respective meanings:

1.1 Acceptable Waste. The term "Acceptable Waste" shall mean all Solid Waste that either PERC or Casella shall deliver, or cause to be delivered, to the PERC Facility or any Casella Facility (as the case may be) for disposal as may be limited by federal, state, and local

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laws, ordinances, permits, regulations, approvals and restrictions as they may apply to the receiving facility.

1.2 Acceptable Casella Waste. The term "Acceptable Casella Waste" shall have the meaning specified in Section 3.1.

1.3 Acceptable PERC Waste. The term "Acceptable PERC Waste" shall have the meaning specified in Section 4.1.

1.4 Addendum. The term "Addendum" shall mean that certain agreement titled *Addendum to Interruptible Contract ("IC Agreement")*, *OBW Penobscot Energy Recovery Company Waste Residue Disposal Agreement ("OBW Agreement")*, *Waste Disposal Agreement ("Waste Agreement")*, *Ash Penobscot Energy Recovery Company Waste Residue Disposal Agreement ("Ash Agreement")* and *FEPR Penobscot Energy Recovery Company Waste Residue Disposal Agreement ("FEPR Agreement")* entered into by and between PERC and NEWSME, and dated as of July 9, 2003.

1.5 Affiliates. The term "Affiliates" shall have the meaning specified in Section 11.1.

1.6 Agreement. The term "Agreement" shall mean this Disposal Agreement.

1.7 Alternative Delivery Term. The term "Alternative Delivery Term" shall have the meaning specified in Section 2.2.

1.8 Ash Agreement. The term "Ash Agreement" shall mean that certain agreement titled *Ash Penobscot Energy Recovery Company Waste Residue Disposal Agreement*, entered into by and between PERC and NEWSME, and dated as of March 1, 2001.

1.9 Bypass Agreement. The term "Bypass Agreement" shall mean that certain agreement titled entered into an agreement titled *Bypass Waste Disposal Agreement*, entered into by and between PERC and NEWSME, and dated as of May 1, 2003.

1.10 Bypass Agreement Amendment. The term "Bypass Agreement Amendment" shall mean that certain agreement amending the terms of the Bypass Agreement titled *Amendment to Bypass Waste Disposal Agreement* entered into by and between PERC and NEWSME, and dated as of May 18, 2006.

1.11 Casella. The term "Casella" shall mean Casella Waste Systems, Inc., a Delaware corporation.

1.12 Casella Adjustment Date. The term "Casella Adjustment Date" shall have the meaning specified in Section 4.3(c).

1.13 Casella Facility. The term "Casella Facility" shall mean the Juniper Ridge Landfill or any other disposal or recycling facility owned or operated by Casella or its subsidiaries.

1.14 Casella Parties. The term "Casella Parties" shall mean, collectively, Casella, Pine Tree and NEWSME.

1.15 Casella Price Adjustment. The term "Casella Price Adjustment" shall have the meaning specified in Section 4.3(c).

1.16 Cessation Notice. The term "Cessation Notice" shall have the meaning specified in Section 2.2.

1.17 Charter Municipalities. The term "Charter Municipalities" shall mean the municipalities listed in Exhibit I, as may be amended from time-to-time by PERC and effective upon written notice thereof to Casella.

1.18 CPI. The term "CPI" shall mean Consumer Price Index for All Urban Consumers, Boston-Brockton-Nashua, MA-NH-ME-CT All Items published by the U.S. Bureau of Labor Statistics. If this index ceases to be published, a comparable index shall be designated, in writing by the parties hereto.

1.19 Default. The term "Default" shall have the meaning specified in Section 8.1(c).

1.20 Delivery Year. The term "Delivery Year" shall have the meaning specified in Section 3.1.

1.21 Designated Representatives. The term "Designated Representatives" shall have the meaning specified in Section 7.3.

1.22 ESOCO. The term "ESOCO" shall mean ESOCO Orrington, LLC, a Minnesota limited liability company.

1.23 Execution Date. The term "Execution Date" shall mean October 1, 2012.

1.24 FEPR. The term "FEPR" shall mean the PERC Facility's front-end processing residue, which consists of glass and grit removed from Solid Waste as it is processed into fuel but excluding (i) such fuel; (ii) ferrous and non-ferrous materials separated and removed for recycling; and (iii) materials separated and removed from the Solid Waste prior to processing by virtue of being non-processable material.

1.25 FEPR Agreement. The term "FEPR Agreement" shall mean that certain agreement titled *FEPR Penobscot Energy Recovery Company Waste Residue Disposal Agreement*, entered into by and between PERC and NEWSME, and dated as of March 1, 2001.

1.26 GAT Relief Baseline. The term "GAT Relief Baseline" shall have the meaning specified in Section 5.2.

1.27 In-State Solid Waste. The term "In-State Solid Waste" shall mean Solid Waste that is defined, from time-to-time, by Maine State law as being "generated" within the State of Maine.



1.28 Interruptible Contract. The term "Interruptible Contract" shall mean that certain agreement titled *Interruptible Contract*, entered into by and between PERC and Pine Tree, and dated as of March 1, 2001.

1.29 NEWSME. The term "NEWSME" shall mean New England Waste Services of ME, Inc., a Maine corporation, d/b/a Pine Tree Landfill.

1.30 OBW. The term "OBW" shall mean the PERC Facility's non-processable/oversized and bulky waste, which includes materials not processable, oversized bulky items and all other materials separated and removed from the Solid Waste prior to processing and requiring landfill disposal.

1.31 OBW Agreement. The term "OBW Agreement" shall mean that certain agreement titled *OBW Penobscot Energy Recovery Company Waste Residue Disposal Agreement*, entered into by and between PERC and NEWSME, and dated as of March 1, 2001.

1.32 Old Agreements. The term "Old Agreements" shall mean the Waste Disposal Agreement, the Interruptible Contract, the OBW Agreement, the Ash Agreement, the FEPR Agreement, the Bypass Agreement, the Bypass Agreement Amendment, and the Addendum, all of which are attached hereto as Exhibits A - H.

1.33 Out-of-State Solid Waste. The term "Out-of-State Solid Waste" shall mean Acceptable Waste that is, from time-to-time, defined by Maine State law as being "generated" outside of the State of Maine.

1.34 PERC. The term "PERC" shall mean Penobscot Energy Recovery Company, Limited Partnership, a Maine limited partnership.

1.35 PERC Adjustment Date. The term "PERC Adjustment Date" shall have the meaning specified in Section 3.2(b).

1.36 PERC Ash. The term "PERC Ash" shall mean the PERC Facility's ash residue or residue remaining after the combustion of Solid Waste and other waste streams, including residual streams from the furnace/boiler, particulate streams removed from the combustion products, and residual materials removed from the air pollution control equipment.

1.37 PERC Bypass Waste. The term "PERC Bypass Waste" shall mean Solid Waste delivered to, or intended to be delivered to, the PERC Facility for disposal, but which PERC provides notice to Casella that the PERC Facility will be unable to accept such Solid Waste for processing.

1.38 PERC Facility. The term "PERC Facility" shall mean that certain waste-to-energy facility owned by PERC and located on Industrial Way in Orrington, Maine

1.39 PERC Parties. The term "PERC Parties" shall mean PERC, USAE and ESOCO.

1.40 PERC Price Adjustment. The term "PERC Price Adjustment" shall have the meaning specified in Section 3.2(b).

1.41 Pine Tree. The term "Pine Tree" shall mean Pine Tree Waste, Inc., a Maine corporation.

1.42 Post-Termination Charter Municipality Solid Waste. The term "Post-Termination Charter Municipality Solid Waste" shall mean (i) Solid Waste from within the Charter Municipalities; and (ii) that is generated ninety (90) days or more after the delivery of the Cessation Notice.

1.43 Release. The term "Release" shall have the meaning specified in Section 9.2.

1.44 Released Claim. The term "Released Claim" shall have the meaning specified in Section 9.2(a).

1.45 Solid Waste. The term "Solid Waste" shall mean non-hazardous solid materials with insufficient liquid content to be free-flowing which are of no value to the immediate source from which they emanate as evidenced by their disposal, discard, or abandonment without consideration in return including, but not limited to, ordinary household, municipal, institutional, commercial and industrial wastes, all as may be defined or limited by applicable federal, state and local laws, ordinances, permits, regulations, licenses, approvals, and restrictions.

1.46 Solid Waste Hierarchy. The term "Solid Waste Hierarchy" shall mean enunciated state government priorities with respect to the generation and disposal of solid waste within the State of Maine as set forth in 38 M.R.S. §1302 or any successor thereto.

1.47 Term. The term "Term" shall have the meaning specified in Section 2.1.

1.48 Transportation Vehicles. The term "Transportation Vehicles" shall mean motorized vehicles necessary for Casella to transport the Acceptable Casella Waste to the PERC Facility and the Acceptable PERC Waste to the Casella Facility including, without limitation, tractors, self unloading trailers, and "packer" trucks (front load and rear load).

1.49 Unacceptable Waste. The term "Unacceptable Waste" shall mean all Solid Waste that is not Acceptable Waste including, without limitation, (a) any material that by reason of its composition, characteristics or quantity is ineligible for disposal at the facility in question pursuant to any applicable federal, state or local laws, rules, regulations, or permits; (b) hazardous, toxic, radioactive, hospital or laboratory wastes or substances; or (c) any other material that the receiving party reasonably concludes would require special handling outside the normal course or presents an endangerment to its facility, the public health or safety, or the environment.

1.50 USAE. The term "USAE" shall mean USA Energy Group, LLC, a Minnesota limited liability company.

1.51 Waste Disposal Agreement. The term "Waste Disposal Agreement" shall mean that certain agreement titled *Waste Disposal Agreement*, entered into by and between PERC and Pine Tree, and dated as of March 1, 2001.



## 2. TERM; EXTENSION

2.1 Initial Delivery Term. The initial Term of this Agreement shall begin on the Execution Date and shall expire on March 31, 2018 unless earlier terminated as provided herein (the "Term"). Furthermore, the parties hereto agree in good faith to consider, prior to such date, extending the Term upon mutually agreeable terms and conditions, provided however, that no party hereto shall be under any obligation to extend the Term. Notwithstanding the foregoing, on or before December 31, 2017, PERC, in its sole and absolute discretion, may provide written notice to Casella that PERC intends to reduce the amount of Solid Waste that PERC will accept between January 1, 2018 and March 31, 2018.

2.2 Alternative Delivery Term. Notwithstanding the provisions of Section 2.1 above, the parties hereto acknowledge and agree that ESOCO (as the current operator of the PERC Facility and regardless of whether ESOCO continues as the operator of the PERC Facility during the Alternate Delivery Term) and PERC (as the owner of the PERC Facility) may no longer operate the PERC Facility as a waste-to-energy facility on or before March 31, 2018. If PERC Facility ceases to operate as a waste-to-energy facility on or before March 31, 2018, then ESOCO (as the current operator of the PERC Facility and regardless of whether ESOCO continues as the operator of the PERC Facility during the Alternate Delivery Term) and PERC (as the owner of the PERC Facility) shall collectively have the option to either (i) make available for pickup by Casella at the PERC Facility, and Casella shall arrange pickup and delivery to a Casella Facility designated by Casella from time to time, or (ii) cause to be delivered to a Casella Facility designated by Casella from time to time the Post-Termination Charter Municipality Solid Waste. The alternative delivery term for the Post-Termination Charter Municipality Solid Waste as described above shall begin three (3) months after ESOCO and PERC (collectively) provide to Casella written notice that PERC is ceasing to operate as a waste-to-energy facility (the "Cessation Notice") and shall expire on December 31, 2028 (the "Alternative Delivery Term") unless earlier terminated as provided herein.

## 3. WASTE STREAMS DELIVERED TO PERC; PRICING

3.1 Solid Waste to Be Delivered; Pricing. Calculated annually on a revolving twelve (12) month basis from December 1 through November 30 (each a "Delivery Year"), Casella agrees (subject to the conditions set forth below) that it shall cause to be delivered to the PERC Facility at least one hundred thousand (100,000) tons of Acceptable Waste (the "Acceptable Casella Waste") from various sources and locations of waste generation, in specific quantities, at various pricing structures and following a varied seasonal delivery schedule as further specified below:

(a) Category 1 MSW. During each Delivery Year, Casella shall deliver to the PERC Facility not less than ten thousand (10,000) tons of Acceptable Waste that is In-State Solid Waste that is (1) primarily collected from customers from whom municipal solid waste historically has been collected by Casella and delivered to the PERC Facility under the Waste Disposal Agreement, and (2) Solid Waste obtained from commercial sources within the Charter Municipalities ("Category 1 MSW"). Casella shall pay to PERC a tipping fee equal to [REDACTED] Dollars (\$[REDACTED]) per ton for each ton of Category 1 MSW so delivered. Casella and PERC agree to cooperate with each Charter Municipality to cause Category 1 MSW



originating within any Charter Municipality to be attributed to the account of such Charter Municipality and to adjust payment arrangements appropriately such that Casella does not pay a tipping fee greater than that set forth above, provided, however, that Casella shall not be required to discontinue collection of Category 1 MSW in order to comply with this Agreement.

(b) Category 2 MSW. During each Delivery Year, Casella shall deliver to the PERC Facility not less than ten thousand (10,000) tons of In-state Solid Waste, but (except as provided in the last paragraph of this Section 3.1(b)) which shall specifically exclude (i) Category 1 MSW, (ii) Solid Waste historically under contract for delivery to PERC, and (iii) In-State Solid Waste originating within any Charter Municipality regardless of whether such In-State Solid Waste is "commercial" or "residential" Solid Waste (collectively, "Category 2 MSW"). Category 2 MSW may be delivered to the PERC Facility either directly, or indirectly from Casella-affiliated transfer stations located in Waterville and West Bath, Maine, or from any other transfer station directly or indirectly owned or controlled by Casella. Casella shall pay to PERC a tipping fee equal to [REDACTED] Dollars (\$[REDACTED]) per ton for all Category 2 Waste so delivered.

The parties agree that in the event and to the extent that the Category 1 MSW exceeds ten thousand (10,000) tons in any Delivery Year as provided in Section 3.1(a) above, then Casella shall be entitled to reduce, on a ton-for-ton basis, the required quantities of Category 2 MSW deliverable to the PERC Facility pursuant to the terms of this Section 3.1(b) by written notice to PERC.

(c) Category 3 MSW. Subject to and conditioned upon the receipt by Casella of a final, non-appealable permit allowing Casella to dispose of municipal solid waste at the Juniper Ridge Landfill pursuant to its pending application with the Maine Department of Environmental Protection, beginning sixty (60) days after the earlier of the (i) closing of the sale to the City of Biddeford, Maine, of the Casella facility known as "Maine Energy" pursuant to a certain Purchase and Sale Agreement dated as of [REDACTED], 2012 between Maine Energy Recovery Company, L.P. and the City of Biddeford, Maine; or (ii) date upon which Maine Energy ceases to process at least ten thousand (10,000) tons of Solid Waste per month for three (3) consecutive months (other than due to force majeure), in each Delivery Year thereafter, Casella shall deliver to the PERC Facility not less than thirty thousand (30,000) tons of In-State Solid Waste from sources that formerly delivered Solid Waste to Maine Energy ("Category 3 MSW"), subject to proration for the initial and final partial Delivery Years, and Casella shall pay to PERC a tipping fee equal to [REDACTED] Dollars (\$[REDACTED]) per ton for each ton of Category 3 MSW so delivered.

(d) Category 4 MSW. During each Delivery Year, Casella shall deliver to the PERC Facility not less than seventeen thousand five hundred (17,500) tons of Acceptable Waste that is Out-of-State Solid Waste ("Category 4 MSW") and shall pay to PERC a tipping fee equal to [REDACTED] Dollars (\$[REDACTED]) per ton for each such ton so delivered.

(e) Category 5 MSW. During each Delivery Year, Casella shall make commercially reasonable efforts to deliver, and the PERC facility shall make commercially reasonable efforts to accept, thirty two thousand five hundred (32,500) tons of Out-of-State Solid Waste sourced from outside the State of Maine and delivered to PERC, but excluding Category 4

MSW ("Category 5 MSW"), and shall pay to PERC a tipping fee equal to [REDACTED] Dollars (\$[REDACTED]) per ton for each ton of Category 5 MSW so delivered.

(f) Categorization of Out-of-State Solid Waste. For purposes of this Agreement,

(i) During the period from December 1 through April 30 in each Delivery Year, the first two thousand one hundred (2,100) tons of Out-of-State Solid Waste delivered to the PERC Facility in any calendar month shall be considered Category 4 MSW, and deliveries of Out-of-State Solid Waste during such calendar month in excess of two thousand one hundred (2,100) tons shall be considered Category 5 MSW.

(ii) During the period from May 1 through November 30 in each Delivery Year, the first one thousand (1,000) tons of Out-of-State Solid Waste delivered to the PERC Facility in any calendar month shall be considered Category 4 MSW, and deliveries of Out-of-State Solid Waste in excess of one thousand (1,000) tons per month shall be considered Category 5 MSW.

(iii) Casella shall be entitled to cure any monthly delivery shortfall under Section 3.1(f)(i) or (ii) in the immediately succeeding calendar month by delivering an additional amount of Out-of-State Solid Waste equal to such shortfall. At the end of each Delivery Year, if Casella has delivered to the PERC Facility more than seventeen thousand five hundred (17,500) tons of Out-of-State Solid Waste, but the total amount of Category 4 MSW deemed to have been delivered in such Delivery Year pursuant to this Section 3.1(f) (after giving effect to any cures effected pursuant to the first sentence of this Section 3.1(f)(iii)) is less than seventeen thousand five hundred (17,500) tons, then, as part of the True-up Payment contemplated by Section 6.4 hereof, Casella shall make a payment to PERC of the product of (x) the amount by which such total amount of Category 4 MSW was less than seventeen thousand five hundred (17,500) tons; and (y) the difference, in dollars per ton, between the tipping fee for Category 4 MSW and the tipping fee for Category 5 MSW in such Delivery Year.

3.2 Limitations as to the Delivery of Acceptable Casella Waste. The delivery of the Acceptable Casella Waste shall be subject to the following:

(a) No Acceptable Casella Waste shall be generated from residential sources within the Charter Municipalities.

(b) During the period from December 1 through April 30 of each Delivery Year, Casella will deliver to the PERC Facility an average of ten thousand four (10,400) tons of Acceptable Casella Waste per month.

(c) During the period from May 1 through November 30 of each Delivery Year, Casella will deliver to the PERC Facility an average of six thousand eight hundred fifty-seven (6,857) tons of Acceptable Casella Waste per month.

(d) The quantities set forth in Sections 3.2(b) and (c) hereof shall be reduced prorata to the extent that Casella is not required to make deliveries of Category 3 MSW under



Section 3.1(c) hereof or, despite the exercise of its commercially reasonable efforts, does not deliver Category 5 MSW.

(e) The parties further agree that any PERC Bypass Waste delivered to any Casella Facility under Section 4.2(d) of this Agreement that would otherwise be Category 1 MSW or Category 2 MSW shall be deducted from the applicable minimum quantity to be delivered by Casella pursuant to Section 3.1.

(f) The pricing for the Acceptable Casella Waste described above shall be adjusted on February 1, 2014 and on every February 1st thereafter (each February 1, a "PERC Adjustment Date") by an amount equal to the annual percentage change in CPI most recently released 12 month period preceding the PERC Adjustment Date; provided, however, that in no event shall the price be increased by an amount greater than two percent (2%), nor shall the price be decreased. No PERC Price Adjustment shall be applied to the then current price for Category 3 Waste at any time.

### 3.3 Transportation of Acceptable Casella Waste to PERC Facility.

(a) Deliveries by Casella to the PERC Facility of the Acceptable Casella Waste shall be recorded separately. Unless otherwise agreed to by the parties hereto, each incoming Transportation Vehicle shall be labeled with a unique vehicle number and hauler code. Each incoming Transportation Vehicle shall be individually weighed at the time of arrival at the PERC Facility to determine the incoming Transportation Vehicle's gross truck weight. After being unloaded, but prior to departing from the PERC Facility, the incoming Transportation Vehicle shall be weighed empty at the PERC Facility to determine its tare weight (to the nearest hundredth of a ton).

(b) A multi-part weigh ticket shall be produced for each such incoming Transportation Vehicle which weigh ticket shall show (1) the incoming Transportation Vehicle's tare and gross truck weights, (2) the number of tons of Acceptable Casella Waste being delivered to the PERC Facility by the incoming Transportation Vehicle (to the nearest hundredth of a ton), (3) a statement as to whether the Acceptable Casella Waste is In-State Solid Waste or Out-of-State Solid Waste (as well as the origin of the Solid Waste), (4) the time of the delivery, and (5) the incoming Transportation Vehicle's vehicle identification number. The weigh ticket shall be signed by PERC's scale house operator and the driver of the incoming Transportation Vehicle. PERC and the driver shall each receive a copy of the weigh ticket.

(c) Both PERC and Casella shall retain all weigh tickets for a period of not less than three (3) years. The weight record shall be used by PERC and Casella as the basis for the calculations required herein. PERC shall have the right to inspect Casella's weigh records of PERC Bypass Waste deliveries to the PERC Facility under this Agreement upon reasonable written request. Such inspections shall be conducted during business hours in such a manner as to not unreasonably interfere with Casella's or PERC's operations.

(d) PERC shall provide and pay for the cost for annual inspections of the scale by the appropriate public officials with responsibility for certifying weight and measures to ensure its reasonable accuracy. At Casella's sole option, inspections shall also be conducted at

Casella's expense annually and such inspections shall occur at such times as Casella and PERC shall reasonably agree.

(e) If all weighing facilities are inoperative or are being tested, Casella shall estimate the quantity of waste delivered on the basis of truck volumes and estimated data obtained through historical information provided by PERC. These estimates shall take the place of actual weighing records during such circumstances.

(f) Title to Acceptable Casella Waste transported by Casella to the PERC Facility shall be deemed to pass from Casella to PERC at the time that the incoming Transportation Vehicle containing the Acceptable Casella Waste leaves the PERC Facility.

#### 4. WASTE STREAMS DELIVERED TO CASELLA; PRICING

4.1 Waste Streams to Be Delivered. PERC shall make available for pickup by Casella at the PERC Facility, and Casella shall arrange pickup and delivery to a Casella Facility, one hundred percent (100%) of the following: (i) the FEPR, OBW, and PERC Ash generated by, at or from the PERC Facility; and (ii) the Post-Termination Charter Municipality Solid Waste (collectively, "Acceptable PERC Waste") to a Casella Facility.

4.2 Acceptance of Solid Waste. Casella acknowledges and agrees as to the following:

(a) Casella will accept all of the Acceptable PERC Waste and the PERC Bypass Waste; and

(b) Casella has the ability and capacity to accept the Acceptable PERC Waste and the PERC Bypass Waste throughout the Term or Alternative Delivery Term (as the case may be) and Casella will reserve the space necessary at one or more Casella Facilities so as to reasonably assure PERC that the capacity is available for the Acceptable PERC Waste and PERC Bypass Waste hereunder.

4.3 Base Pricing.

(a) For all tons of FEPR made available by PERC at the PERC Facility and delivered by Casella to any Casella Facility through January 31, 2013, PERC shall pay Casella a fee of [REDACTED] Dollars (\$ [REDACTED]) per ton.

(b) For all tons of PERC Ash made available by PERC at the PERC Facility and delivered by Casella to any Casella Facility through January 31, 2013, PERC shall pay Casella a fee of [REDACTED] Dollars (\$ [REDACTED]) per ton.

(c) For all tons of OBW made available by PERC at the PERC Facility and delivered by Casella to any Casella Facility through January 31, 2013, PERC shall pay Casella a fee of [REDACTED] Dollars (\$ [REDACTED]) per ton.

(d) For all tons of PERC Bypass Waste delivered by or on behalf of PERC to any Casella Facility, any PERC customer, or any Charter Municipality to any Casella Facility

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through January 31, 2013 PERC shall pay Casella a fee of [REDACTED] Dollars (\$ [REDACTED]) per ton.

(e) For all tons of Post-Termination Charter Municipality Solid Waste that ESOCO (as the current operator of the PERC Facility and regardless of whether ESOCO continues as the operator of the PERC Facility during the Alternate Delivery Term) and PERC (as the owner of the PERC Facility) (collectively) either (1) makes available for pickup by Casella at the PERC Facility for delivery by Casella to a Casella Facility designated from time to time by Casella, or (2) causes to be delivered to a Casella Facility designated from time to time by Casella during the Alternative Delivery Term, PERC shall pay Casella the following fees:

(i) After the delivery of the Cessation Notice and March 31, 2016, a fee of [REDACTED] Dollars (\$ [REDACTED]) per ton of Post-Termination Charter Municipality Solid Waste delivered to a Casella Facility as provided above;

(ii) Between April 1, 2016 and March 31, 2017, a fee of [REDACTED] Dollars (\$ [REDACTED]) per ton of Post-Termination Charter Municipality Solid Waste delivered to a Casella Facility as provided above; and

(iii) Between April 1, 2017 and March 31, 2028, a fee of [REDACTED] Dollars (\$ [REDACTED]) per ton of Post-Termination Charter Municipality Solid Waste delivered to a Casella Facility as provided above.

(iv) In addition to the foregoing, if ESOCO (as the current operator of the PERC Facility and regardless of whether ESOCO continues as the operator of the PERC Facility during the Alternate Delivery Term) and PERC (as the owner of the PERC Facility) (collectively) makes available the Post-Termination Charter Municipality Solid Waste for pickup by Casella at the PERC Facility for delivery by Casella to a Casella Facility designated from time to time by Casella PERC shall pay to Casella the reasonable cost of transporting such waste to Casella's Juniper Ridge Landfill (irrespective of which Casella Facility actually takes delivery of such waste).

#### 4.4 Price Adjustments.

(a) The pricing for FEPR and PERC Ash shall each be subject to a Casella Price Adjustment on February 1, 2013, February 1, 2015, and every February 1 thereafter.

(b) The pricing for OBW and PERC Bypass Waste shall each be subject to a Casella Price Adjustment on February 1, 2013 and every February 1 thereafter.

(c) Each date upon which the price shall be adjusted shall be a "Casella Adjustment Date". A "Casella Price Adjustment" shall be calculated as follows provided, however, that in no event shall the price be increased by an amount greater than 2%, nor shall the price be decreased:

(i) For OBW and PERC Bypass Waste starting on February 1, 2013, and for FEPR and PERC Ash starting on February 1, 2016, the Price Adjustment shall occur

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each February 1 and shall be equal to the percentage change in CPI for the most recently released 12-month period preceding the Casella Adjustment Date.

(ii) For FEPR and PERC Ash, a Price Adjustment will occur on February 1, 2013 and February 1, 2015, based upon the percentage change in CPI for the most recently released 12-month period preceding the Casella Adjustment Date.

(iii) For Post-Termination Charter Municipality Solid Waste, a Price Adjustment will occur on February 1, 2019 and each February 1 thereafter, and shall be based upon the percentage change in CPI for the most recently released 12-month period preceding the Casella Adjustment Date.

4.5 Transportation of Acceptable PERC Waste by Casella to a Casella Facility.

(a) Casella acknowledges that (i) the PERC Facility generates material for disposal on a continuous basis, (ii) PERC has a limited ability to store material for disposal at the PERC Facility and (iii) PERC requires reliable and timely disposal services for Acceptable PERC Waste. Casella agrees to schedule Transportation Vehicles for the pick-up and transportation of Acceptable PERC Waste from the PERC Facility on a basis which reasonably meets the PERC Facility's disposal needs.

(b) Casella shall (i) provide an adequate number of Transportation Vehicles to transport Acceptable PERC Waste from the PERC Facility in accordance with the terms of this Agreement, (ii) transport Acceptable PERC Waste from the PERC Facility to a Casella Facility, (iii) provide adequate capacity at one or more Casella Facilities and (iv) provide an adequate number of onsite trailers, for the PERC Facility's use, to stockpile material.

(c) Casella shall supply the PERC Facility with the necessary equipment and personnel, including but not limited to Transportation Vehicles with operators, as needed on a twenty-four-(24) hours-per-day, seven-day-per-week basis to transport Acceptable PERC Waste to a Casella Facility.

(d) PERC shall be considered the "generator" of all Acceptable PERC Waste for purposes of any federal, state and local regulation.

(e) For purposes of transporting, delivering and weighing of Acceptable PERC Waste, the following shall apply:

(i) PERC will use reasonable efforts to load Acceptable PERC Waste into Transportation Vehicles in amounts that will not exceed weight limits established by law and applicable from time to time.

(ii) Each Transportation Vehicle provided by Casella for the transportation of Acceptable PERC Waste shall be labeled with a unique vehicle number and hauler code. Each incoming Transportation Vehicle shall be individually weighed empty at the PERC Facility to determine its tare weight. After being loaded with Acceptable PERC Waste, but prior to departing from the PERC Facility, each Transportation Vehicle (any combination of



one (1) tractor and one (1) trailer) shall be weighed to determine its gross tare weight (to the nearest hundredth of a ton).

(iii) A multi-part weigh ticket shall be produced for each such Transportation Vehicle which shows its tare and gross truck weights, the number of tons of Acceptable PERC Waste being transported by it (to the nearest 100<sup>th</sup> of a ton), the time of the pick-up and the Transportation Vehicles identification number. The weigh ticket shall be signed by PERC's scale house operator and the driver of the said vehicle. PERC and the driver shall receive a copy of the weigh ticket.

(iv) Weigh tickets so produced shall be used to determine the number of loads of Acceptable Waste transported and the number of tons of Acceptable Waste disposed of by Casella under this Agreement for the purpose of calculating fees owed by PERC.

(v) All weighing of Transportation Vehicles shall be done on the PERC Facility truck scale. PERC shall provide and pay the cost for annual inspections of the scale by the appropriate public officials with responsibility for certifying weight and measures to ensure its reasonable accuracy. At Casella's option, such inspections shall also be conducted at the Casella's own expense annually and at such other times as Casella deems necessary.

(vi) If all weighing facilities are inoperative or are being tested, Casella shall estimate the quantity of waste delivered on the basis of truck volumes and estimated data obtained through historical information provided by PERC. These estimates shall take the place of actual weighing records during such circumstances.

(f) Title to Acceptable PERC Waste transported by Casella shall be deemed to pass from PERC to Casella at the time that the Transportation Vehicle containing such material leaves the PERC Facility.

4.6 Specific Requirements Relating to PERC Bypass Waste. Notwithstanding anything to the contrary pertaining to Acceptable PERC Waste, the following provisions shall apply to the delivery of PERC Bypass Waste to any Casella Facility for disposal.

(a) PERC shall provide Casella with as much advance notice as possible as to the need for delivery of PERC Bypass Waste to a Casella Facility. PERC shall also be responsible for notifying any entity from which it is contractually required to accept Acceptable PERC Waste of the need to bypass the PERC Facility, and shall direct any such entity to deliver the PERC Bypass Waste directly to the designated Casella Facility. For any scheduled bypass, PERC shall provide Casella with written notification of a scheduled bypass no less than forty-eight (48) hours prior to the bypass event, with reasons for the bypass. For any nonscheduled bypass, PERC shall provide Casella with as much prior notification as is reasonably practical given the facts of the nonscheduled bypass. Casella agrees that Casella will only accept PERC Bypass Waste from PERC or from entities which have been directed by PERC to deliver their Acceptable PERC Waste to the Casella Facility.

(b) For purposes of transporting, delivering and weighing of Acceptable PERC Waste or Post-Termination Charter Municipality Waste, the following shall apply:

(i) Deliveries by any municipality directed to deliver PERC Bypass Waste by PERC and deliveries of Post-Termination Charter Municipality Waste to a Casella Facility shall be recorded separately. Unless otherwise agreed, each incoming and outgoing waste vehicle shall be weighed with gross weight, time and truck identification indicated on a weigh record. Casella, PERC and the operator of each weighed vehicle shall receive a copy of the weigh ticket. Each weigh ticket shall include at least the following information:

- Date and time;
- Vehicle ID number;
- Identification of municipality delivering PERC Bypass Waste or Post-Termination Charter Municipality Waste;
- Tons delivered (to the nearest 100<sup>th</sup> of a ton); and
- Driver's signature

(ii) Casella shall retain all weigh tickets for a period of not less than three (3) years. The weight record shall be used by PERC and Casella as the basis for the calculations required herein. PERC shall have the right to inspect Casella's weight records of PERC Bypass Waste or Post-Termination Charter Municipality Waste deliveries upon reasonable written request. Such inspections shall be conducted during business hours in such a manner as to not unreasonably interfere with Casella's operations.

(iii) If all weighing facilities are inoperative or are being tested, Casella shall estimate the quantity of waste delivered on the basis of truck volumes and estimated data obtained through historical information provided by PERC. These estimates shall take the place of actual weighing records during such circumstances.

## 5. RECYCLING

5.1 PERC acknowledges that Casella may market the ZeroSort™ Recycling System (or any replacement or variation thereof designated by Casella) ("the Casella Recycling System") to the Charter Municipalities on an ongoing basis. PERC agrees to cooperate with Casella's efforts to market the Casella Recycling System to the Charter Municipalities.

5.2 Upon agreement to initiate implementation of the Casella Recycling System in any Charter Municipality, Casella shall provide notice to PERC identifying the name of such Charter Municipality, the scheduled start date for such implementation, and available information on the methods used to collect recyclable materials and the quantities and types of materials that have been recycled by such Charter Municipality for a period of at least twenty four (24) months. PERC shall then provide to Casella its best estimate of the GAT Relief Baseline for such Charter Municipality, based on the provisions of this Section 5.2. The GAT Relief Baseline for a Charter Municipality shall be defined as the amount of material diverted from the Solid Waste stream that would otherwise have been delivered to the PERC Facility



through existing recycling programs of such Charter Municipality in each calendar quarter for the most recent 12-month period for which data are available as of the date of receipt of the notice provided by Casella (the "GAT Relief Baseline").

5.3 Upon implementation of the Casella Recycling System in a Charter Municipality, for every ton of recyclable material delivered from a Charter Municipality to any Casella Facility during any Delivery Year that is in excess of that Charter Municipality's GAT Relief Baseline, (a) Casella shall deliver to the PERC Facility one additional ton of Acceptable Casella Waste that is not In-State Solid Waste from a Charter Municipality, and (b) notwithstanding the provisions of Section 3 regarding delivery and pricing of Acceptable Casella Waste, Casella shall pay PERC the per-ton rate charged to such Charter Municipality at the time of such delivery. Additional Solid Waste delivered to PERC under this Section 5.3 shall be in addition to the minimum quantities of Casella Acceptable Waste prescribed under Section 3, and any payments shall be subject to the annual true-up provision set forth in Section 6.4 hereof.

5.4 If Casella enters into an agreement with any Charter Municipality to handle that municipality's recycling, whether single-stream or sorted, Casella shall provide to PERC on a monthly basis the number of tons delivered to a Casella Facility and, to the extent practical, a breakdown of the recyclable materials by commodity type.

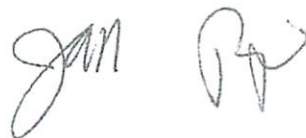
## 6. PAYMENT AND TRUE-UP

6.1 Payment to PERC. PERC shall submit a weekly invoice to Casella indicating (i) the number of tons of Acceptable Casella Waste disposed of at the PERC Facility during the prior week; and (ii) the fees due therefor pursuant to Section 3. All such invoices shall be due and payable by Casella within thirty (30) days from the date of the invoice. PERC shall notify Casella of any invoices that are not paid when due.

6.2 Payment to Casella. Casella shall submit a weekly invoice to PERC indicating (i) the number of tons of Acceptable PERC Waste or PERC Bypass Waste transported and disposed of at a Casella Facility during the prior week; and (b) the fees due therefor pursuant to Section 4. All such invoices shall be due and payable by PERC within thirty (30) days after the date of the invoice. Casella shall notify PERC of any invoices that are not paid when due.

6.3 Alternate Billing Arrangements. Casella acknowledges and agrees that, as of the date of this Agreement, Casella and PERC have agreed to make alternative billing arrangements relating to the delivery of Acceptable Casella Waste to the PERC Facility so as to ensure that the delivery of such Acceptable Casella Waste will be counted against the "guaranteed annual tonnage" requirements for such Charter Municipality. Both Casella and PERC agree that they shall continue to cooperate with such Charter Municipalities, on a consistent basis with past practices, with respect to payment arrangements among PERC, Casella and the Charter Municipality so as ensure that Acceptable Casella Waste that is delivered to the PERC Facility and that originates within a Charter Municipality will be attributed to the account of such Charter Municipality, subject to Section 3.1(a) hereof.

6.4 Late Fee. All late payments due under this Agreement shall be subject to a late fee of 1.5% per month.



#### 6.5 True-Up.

(a) Monthly Tonnage True-Up. Within five (5) days after the beginning of each month, PERC and Casella will review and agree as to (i) the number of tons of those waste streams set forth in Section 3.1 that Casella has delivered to the PERC Facility, and that PERC has accepted at the PERC Facility, during the immediately preceding month, (ii) the number of tons of those waste streams set forth in Section 3.1 that Casella expects to deliver to the PERC Facility, and that PERC expects to accept, during the current month and (iii) the number of tons of recyclable material delivered to a Casella Facility for recycling from each Charter Municipality. Casella will use commercially reasonable efforts to deliver additional Acceptable Casella Waste to the PERC Facility in the current month to the extent that there have been underdeliveries of Acceptable Casella Waste by Casella to the PERC Facility in the prior month. PERC will use commercially reasonable efforts to accept additional Acceptable Casella Waste to the PERC Facility in the current month to the extent that PERC was unable to accept deliveries of Acceptable Casella Waste from Casella in the prior month.

Any shortfall resulting from PERC's inability or refusal to accept Acceptable Casella Waste at the PERC Facility shall not be subject to any makeup delivery obligation or any underdelivery charge.

(b) Monthly Recycling True-Up. If the number of tons of recyclable material delivered to a Casella Facility from any Charter Municipality exceeds that Charter Municipality's GAT Relief Baseline, then on the first day of the following month, Casella shall begin delivering to PERC additional Acceptable Casella Waste as defined in Category 2 MSW or Category 3 MSW equal to the number of tons of recyclable material delivered to a Casella Facility from any Charter Municipality that is in excess of the Charter Municipality's GAT Relief Baseline, and shall pay for such delivered waste at the tipping fee currently being charged by PERC to that Charter Municipality. Within five (5) days after the end of each quarter during a Delivery Year, a quarterly true-up shall also be conducted for recyclable material and, at PERC's sole discretion, any underdeliveries remaining for any Charter Municipality shall be added to Casella's delivery requirement for Category 2 MSW or Category 3 MSW for the following quarter.

(c) Annual Tipping fee True-Up. Within thirty (30) days of the end of each Delivery Year, Casella shall pay PERC a payment for underdeliveries of Category 1 MSW, Category 2 MSW, Category 4 MSW, and, as applicable, Category 3 MSW, for such Delivery Year that includes the following:

(i) For underdeliveries of Category 1 MSW, an amount equal to the product of the tons of the annual delivery shortfall and the tipping fee then applicable for Category 1 MSW.

(ii) For underdeliveries of Category 2 MSW, an amount equal to the product of the tons of the annual delivery shortfall and the tipping fee then applicable for Category 2 MSW.



(iii) For underdeliveries of Category 3 MSW, an amount equal to the product of the tons of the annual delivery shortfall and the tipping fee then applicable for Category 3 MSW.

(iv) Any amount due pursuant to Section 3.1(f)(iii) hereof.

(v) Any adjustment required to ensure that Casella has paid the appropriate tipping fees for recyclable material delivered to a Casella Facility from any Charter Municipality that is in excess of the Charter Municipality's GAT Relief Baseline.

(vi) A credit for delivery of Acceptable Casella Waste in excess of one hundred thousand (100,000) tons in the Delivery Year at the tipping fee paid for Category 5.

(d) The parties hereto acknowledge and agree that the amounts that are (1) due and owing by Casella to PERC hereunder may be offset against any payment due and owing from PERC to Casella; and (2) due and owing by PERC to Casella hereunder may be offset against any payment due and owing from Casella to PERC.

## 7. OTHER OBLIGATIONS OF THE PARTIES

7.1 General Performance Standard. The parties hereto shall perform all obligations hereunder in a diligent and workmanlike manner, consistent with applicable professional practices and standards in the industry for performing similar services. In the performance of their respective obligations hereunder, the parties hereto covenant and agree that they and any subcontractors shall (a) be in substantial compliance with all applicable federal, state and local laws and ordinances and all lawful orders, rules and regulations of any governmental authority; (b) be properly trained and fully licensed, permitted and authorized by all necessary and governmental authorities to perform all obligations hereunder; and (c) maintain such licenses, permits and authorization at all times during the Term hereof. THE PARTIES HERETO AGREE AND ACKNOWLEDGE THAT ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY WAIVED AND DISCLAIMED.

7.2 Acceptable Waste. The materials that either PERC or Casella shall deliver or cause to be delivered to the PERC Facility or any Casella Facility (as the case may be) for disposal shall consist solely of Acceptable Waste. In no event shall the PERC Facility or any Casella Facility be required to accept any Unacceptable Waste.

7.3 Contract Management and Dispute Resolution. During the Term hereof Casella and USAE shall provide the other with a contact person to serve as the contact for all matters relating to this Agreement regardless of what Casella Party's or PERC Party's obligation, action or inaction is at issue, and such person's phone number, who can be reached on a 24-hour-per-day/ 7-day-per-week basis to help resolve scheduling and other issues which may arise under this Agreement (the "Designated Representatives"). In the event of a dispute between the parties hereto, any issues that are not resolved by the Designated Representatives within sixty (60) days of the complaining party delivering notice of the dispute to the other shall be escalated to upper levels of management. Any dispute arising under or in connection with this Agreement which is not resolved within fifteen (15) days after the conclusion of such sixty (60) day period may, at

the option of either party, be resolved by judicial means as contemplated by Section 12.3 hereof. The Designated Representative for Casella shall be Brian Hovey and the Designated Representative for PERC shall be Gary Stacey. The Designated Representatives can be changed by the party that appointed such Designated Representative at any time by written notice.

7.4 Support for Juniper Ridge Landfill Expansion. Consistent with Exhibit 7.4 hereto, PERC shall provide reasonable public support for Casella's efforts to expand the Juniper Ridge Landfill as part of the overall integrated solid waste management system for the State of Maine and consistent with the State of Maine Solid Waste Hierarchy in effect as of the date of this Agreement. Such expansion is being requested by Casella pursuant to the terms of Casella's pending application which is attached hereto as Exhibit 7.4 and which will allow municipal solid waste to be disposed of at the Juniper Ridge Landfill. Such reasonable public support shall include, without limitation, the (1) attendance at and support of such expansion efforts at as many public hearings as the representatives of PERC can reasonably attend, and (2) the delivery of a reasonable number of supportive communications with legislators, the Commissioner of the Maine Department of Environmental Protection, the staff of the Governor of Maine and with officials and administrative bodies of the relevant localities. PERC shall not make any statements that are, in any material respect, inconsistent with such Exhibit 7.4. Notwithstanding the foregoing, Casella acknowledges and agrees that the terms of this Agreement shall not limit each limited partner of PERC from expressing its individual opinion as to the expansion of the Juniper Ridge Landfill.

7.5 Support of Hierarchy. Casella acknowledges and agrees that PERC's support of the Juniper Ridge Landfill expansion as provided in Section 7.4 above is specifically conditioned upon Casella's support of the State of Maine Solid Waste Hierarchy in effect on the date of this Agreement (which Solid Waste Hierarchy is structured so that the maximum amount of Solid Waste possible will be processed by facilities in Maine such as the PERC Facility in preference to landfills in Maine such as the Juniper Ridge Landfill) subject to the terms of this Agreement.

7.6 Agreement Respecting Solid Waste. Neither Casella nor any Affiliate of Casella, shall deliver Solid Waste generated within any Charter Municipality to any facility other than the PERC Facility, nor directly or indirectly divert or cause to be diverted, or encourage or promote any other party to divert or cause to be diverted Solid Waste generated within any Charter Municipality to any facility that is not the PERC Facility, except in the event of a shutdown or suspension of operations of the PERC Facility in conformity with the written request and instructions of PERC, or otherwise in conformity with the written request and instructions of PERC. If Casella materially violates the terms of this Section 7.6, it shall be a Default hereunder. For purposes of this provision, a nonmaterial violation shall be one that is both nonrecurring and inconsequential to PERC.

7.7 Change in Charter Municipalities. PERC shall provide prompt written notice to Casella of any change in the number or status of Charter Municipalities.



## 8. TERMINATION

8.1 This Agreement may be terminated:

- (a) by all parties hereto upon mutual written agreement; or
- (b) immediately upon written notice by Casella on behalf of the Casella Parties that any representation and warranty of the PERC Parties contained in this Agreement are shown to be materially untrue, or USAE on behalf of the PERC Parties, in the event that any of the representations and warranties of the Casella Parties contained in this Agreement are shown to be materially untrue.
- (c) by Casella on behalf of the Casella Parties in the event of a failure by any of the PERC Parties to perform a material obligation under this Agreement, or by USAE on behalf of the PERC Parties in the event of a failure by the Casella Parties to perform a material obligation under this Agreement (each, a "Default"). If the Default has not been cured by the defaulting party within thirty (30) days from receipt of notice from Casella on behalf of the Casella Parties or USAE on behalf of the PERC Parties, then Casella on behalf of the Casella Parties or USAE on behalf of the PERC Parties may (i) terminate this Agreement immediately upon notice, or (ii) agree in writing that the defaulting party is diligently pursuing a cure, and extend the cure period at its sole discretion, subject to immediate termination upon notice.

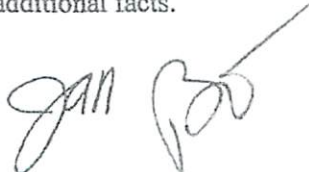
## 9. TERMINATION OF OLD AGREEMENTS

9.1 As of the Execution Date, the Old Agreements are terminated in their entirety, and any and all obligations thereunder are, and shall be considered to be, discharged in totality.

9.2 By entering into this Agreement, the Casella Parties and PERC Parties agree, for themselves and their parents, subsidiaries and affiliates, to the following release provisions (the "Release"):

(a) The PERC Parties, on the one hand, and the Casella Parties on the other hand, for themselves and all who may claim through them, hereby release and forever discharge each and every other party and its parents, subsidiaries, affiliates, officers, directors, members, managers, partners, shareholders, employees, agents, attorneys, successors and assigns of and from any and all claims, causes of action, losses, and damages of any kind or nature, whether known or unknown, asserted or unasserted, foreseen or unforeseen, which have been or could have been brought by any party against any other party up to and including the Execution Date, arising out of, or related in any manner to, the Old Agreements including but not limited to any claims asserted (or threatened to be asserted) by any of the parties hereto in the notice of arbitration contained in PERC's letter to the Casella Parties, dated May 26, 2011, pursuant to Article XXV of the Waste Disposal Agreement (the "Released Claims").

(b) The parties hereto acknowledge that they may hereafter discover facts different from or in addition to those now known or believed to be true related to the Released Claims, and the parties hereto agree that this Release shall remain in full force and effect, notwithstanding the existence of any such different or additional facts.



(c) The parties hereto hereby represent and acknowledge that they have been advised of the terms and effect of this Release by their own attorneys, or that they have had the opportunity to consult with an attorney of their choosing, that they have investigated the facts and are not relying upon any representation or acknowledgement, whether oral or in writing, of any other party hereto except as expressly stated herein.

(d) The Release contained in this Section 9.2 is intended to release and resolve disputed claims. The parties hereto agree that this Release shall in no event be construed as or constitute evidence of an admission or a concession on the part of any party hereto with respect to any claim or cause of action, or with respect to any liability or fault, which liability and fault the party hereto expressly deny. This Release shall not be offered or received in evidence in any action or proceeding in any court, arbitration proceeding, administrative action or other tribunal for any purpose other than to enforce this Release.

(e) The terms of this Section 9.2 are contractual and not mere recitals.

9.3 This Section 9 shall survive the expiration or earlier termination of this Agreement.

## 10. REPRESENTATIONS AND WARRANTIES

10.1 Each party hereto represents and warrants to the others that:

(a) it is duly organized, validly existing, and qualified to do business and is in good standing in every jurisdiction in which this Agreement requires its performance;

(b) it has full power and authority to execute, deliver and perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action by such party;

(d) the execution and delivery of this Agreement by such party and the performance of the terms, covenants and conditions contained herein will not violate the articles of incorporation or by-laws (or other constituent documents) of such party, or any order of a court or arbitrator, and will not conflict with and will not constitute a material breach of, or default under, the provisions of any material contract by which such party is bound; and

(e) it and any subcontractors have all necessary permits, licenses and other forms of documentation, and its personnel have received all necessary training including, but not limited to, health and safety training, required to perform its respective obligations hereunder.

10.2 USAE represents and warrants that it has all authority required to bind the PERC Parties and all other necessary affiliates and subsidiaries to this Agreement.

10.3 Casella represents and warrants that it has all authority required to bind the Casella Parties and all other necessary affiliates and subsidiaries to this Agreement.





10.4 These warranties shall survive the expiration or earlier termination of this Agreement.

## 11. INDEMNIFICATION

11.1 The PERC Parties, jointly and severally, agree to indemnify, defend and hold harmless the Casella Parties and their respective directors, officers, shareholders, members, managers, employees and agents ("Affiliates"), and the Casella Parties, jointly and severally, agree to indemnify, defend and hold harmless the PERC Parties and their respective Affiliates, from and against all loss, liability, damage and expense (including attorneys' fees and expenses incurred in enforcing this indemnification), arising out of or relating to (i) any breach by an indemnifying party of this Agreement, (ii) any negligent or willful act or omission of an indemnifying party, or (iii) any violation by an indemnifying party of applicable laws, regulations, permits or licenses, subject, however, to the limitation set forth in Section 12.4 hereof. The indemnifying party shall be entitled to control (at its sole expense) the defense of any claim, action, suit or proceeding giving rise to an obligation of such indemnifying party to provide indemnification under this Section 11; provided, however, that no settlement thereof may be entered into without the written consent of the indemnifying party and the indemnified party, which consent shall not be unreasonably withheld, delayed or conditioned.

## 12. MISCELLANEOUS

12.1 Nonacceptance and Nondelivery of Waste. Except as otherwise provided herein, the parties hereto covenant and agree that, during the Term of this Agreement and for a period of one (1) year thereafter, the following: (a) neither Casella nor any of its Affiliates will accept at any Casella Facility any Solid Waste from any Charter Municipality except as permitted under this Agreement or as otherwise agreed to in writing by both ESOCO (as the current operator of the PERC Facility and regardless of whether ESOCO continues as the operator of the PERC Facility during the Alternate Delivery Term) and PERC (as the owner of the PERC Facility); and (b) neither PERC nor ESOCO will cause, directly or indirectly, the delivery of any Solid Waste from any Charter Municipality to a Casella Facility except as permitted under this Agreement or as otherwise agreed to in writing by both ESOCO (as the current operator of the PERC Facility and regardless of whether ESOCO continues as the operator of the PERC Facility during the Alternate Delivery Term) and PERC (as the owner of the PERC Facility). This Section 12.1 shall survive the expiration or earlier termination of this Agreement.

12.2 Notices. All notices to be given under this Agreement shall be in writing and delivered personally, or shall be mailed by U.S. Express, registered or certified mail, return receipt requested or an overnight service with receipt as follows:

Casella Parties	Casella Waste Systems, Inc
	25 Greens Hill Lane
	Rutland, VT 05701
	Attn: Eastern Region Vice President

With a copy to Casella Waste Systems, Inc  
25 Greens Hill Lane  
Rutland, VT 05701  
Attn: General Counsel

PERC Parties USA Energy Group, LLC  
100 North Sixth Street  
Suite 300A  
Minneapolis, MN 55403  
Attn: President

With a copy to Kaminski Law Office, PLLC  
641 East Lake Street  
Suite 218  
Wayzata, Minnesota 55391  
Attn: Stephen J. Kaminski, Esquire

12.3 Governing Law. This Agreement and any issues arising hereunder or relating hereto shall be governed by and construed in accordance with the laws of the State of Maine except for conflicts of laws provisions that would apply the substantive law of another state.

12.4 Venue. The parties hereto agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated only in the state and federal courts having jurisdiction over the parties hereto.

12.5 Limitation of Liability. Neither party shall be liable to the other for special, incidental, exemplary, punitive or consequential damages including without limitation loss of use, loss of profits or revenues, or cost of substitute or re-performed services, suffered, asserted or alleged by either party or any third party arising from or relating to this Agreement, regardless of whether those damages are claimed under contract, warranty, indemnity, tort or any other theory at law or in equity.

12.6 Disclaimer of Joint Venture, Partnership, and Agency. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the parties or to impose any partnership obligation or liability upon either party. Neither party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other party.

12.7 Force Majeure.

(a) "Force Majeure" means shall mean any act, event or condition materially and adversely affecting the ability of a party to perform or comply with any material obligation, duty or agreement required under this Agreement, if such act, event, or condition is beyond the reasonable control of the nonperforming party or its agents relying thereon, is not the result of the willful or negligent action, inaction or fault of the party relying thereon, and the nonperforming party has been unable to avoid or overcome the act, event or condition by the exercise of due diligence, including, without limitation: (i) an act of God, epidemic, landslide, lightning, earthquake, fire, explosion, storm, flood or similar occurrence; (ii) an act of public



enemy, war, blockage, insurrection, riot, general unrest or restraint of government and people, civil disturbance or disobedience, sabotage, act of terrorism or similar occurrence; (iii) a strike, work slowdown, or similar industrial or labor action; (iv) an order or judgment (including without limitation a temporary restraining order, temporary injunction, preliminary injunction, permanent injunction, or cease and desist order) or other act of any federal, state, county or local court, administrative agency or governmental office or body which prevents a party's obligations as contemplated by this Agreement; or (v) adoption or change (including a change in interpretation or enforcement) of any federal, state or local law after the Execution Date of this Agreement, preventing performance of or compliance with the obligations hereunder.

(b) Neither party shall be liable to the other for damages without limitation (including liquidated damages) if and to the extent such party's performance is delayed or prevented due to an event of Force Majeure. In such event, the affected party shall promptly notify the other of the event of Force Majeure and its likely duration. During the continuation of the Force Majeure Event, the nonperforming party shall (i) exercise commercially reasonable efforts to mitigate or limit damages to the performing party; (ii) exercise commercially reasonable due diligence to overcome the Force Majeure event; (iii) to the extent it is able, continue to perform its obligations under this Agreement; and (iv) cause the suspension of performance to be of no greater scope and no longer duration than the Force Majeure event requires.

(c) In the event of a delay in either party's performance of its obligation hereunder for more than sixty (60) days due to a Force Majeure, the other party may, at any time thereafter during the continuation of delayed performance, terminate this Agreement.

12.8 Entire Agreement. It is understood and agreed that all understandings and agreements heretofore had among the parties hereto related to the subject matter of this Agreement are merged in this Agreement, which alone fully and completely expresses their agreement and contains all of the terms agreed upon among the parties hereto with respect to the subject matter of this Agreement, and that this Agreement is entered into after full investigation, no party relying upon any statement or representation, not embodied in this Agreement, made by any other. All exhibits, schedules and other attachments are a part of this Agreement and the contents thereof are incorporated herein by reference.

12.9 Amendment. This Agreement cannot be amended, modified or supplemented, nor can any term or condition be waived in whole or in part, except in writing and signed by all of the parties hereto.

12.10 Non-Waiver. No waiver by any party to this Agreement of any failure or refusal by the other party to comply with its obligations shall be deemed a waiver of any other or subsequent failure or refusal to so comply. No waiver by any party hereto of any right or remedy hereunder shall be valid unless the same shall be in writing and signed by such party giving such waiver. No waiver by any party hereto with respect to any default, misrepresentation, or breach of warranty or covenant hereunder shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

12.11 Severability; Modification Required By Law. If any term or provision of this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions thereof or hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreement of the parties herein set forth.

12.12 Headings, Pronouns. The headings of sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. The pronouns "he", "she" or "it" are also used for convenience, and in the event that an improper pronoun has been used, it shall be deemed changed so as to render the sentence in which it is contained effective in accordance with its terms.

12.13 Successors and Assigns. This Agreement and all of the provisions thereof and hereof shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

12.14 Assignment. Neither this Agreement nor any of the rights, interests, obligations, and remedies hereunder shall be assigned by any party, including by operation of law, without the prior written consent of the other parties, such consent to not be unreasonably withheld, conditioned or delayed, except (a) to its parents, subsidiaries and affiliates provided that the assigning party shall remain liable for all of the obligations hereunder, (b) at its expense to a person, firm, or corporation acquiring all or substantially all of the business and assets of the assigning party provided that the assignee assumes the obligations of the assigning party arising hereunder from and after the date of acquisition, and (c) as security to entities providing financing for the assigning party or for any of its affiliates or for construction, reconstruction, modification, replacement or operation of any of the facilities of the assigning party or its parents, subsidiaries or affiliates.

12.15 Construction. This Agreement and its exhibits and schedules are the result of negotiations between the parties and have been reviewed by all parties. Accordingly, this Agreement will be deemed to be the product of the parties thereto and no ambiguity will be construed in favor of or against any party.

12.16 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

12.17 No Brokers. The parties agree that they have entered into this Agreement without the benefit or assistance of any brokers, and each party agrees to indemnify, defend and hold the other harmless from any and all costs, expenses, losses or liabilities arising out of any claim by any person or entity that such person or entity acted as or was retained by the indemnifying party as a finder or broker with respect to the sale of the assets described herein.



12.18 Further Acts. Each party agrees to perform any further acts and to execute, acknowledge, and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

12.19 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but which together will constitute one and the same instrument.

12.20 Press Releases and Announcements. No party hereto shall issue any press release or public announcement relating to the subject matter of this Agreement without the prior written approval of the other parties hereto; provided, however, that any party hereto may make any public disclosure it believes in good faith is required by applicable law, regulation or stock market rule.

12.21 Survival of Provisions: Specific Performance. All of the parties hereto acknowledge and agree that provisions of Section 12.1 shall survive the termination of this Agreement as provided therein. All of the parties hereto further acknowledge and agree that that the restrictions contained in Section 12.1 are reasonable and necessary to protect the legitimate interests of the both PERC and ESOCO and neither PERC nor ESOCO would not have entered into this Agreement in the absence of such restrictions. The parties hereto acknowledge and agree that any breach by any party hereto of any of the terms of Section 12.1 will cause continuing and irreparable injury to either or both PERC and ESOCO for which monetary damages would not be an adequate remedy. Based on the foregoing, in any action or proceeding to enforce any of the provisions of this Agreement, the parties hereto hereby specifically covenant and agree that they shall not assert the claim or defense that an adequate remedy at law exists and that any party hereto shall have the right to enforce the provisions of Section 12.1 by seeking injunctive or other relief in any court, and this Agreement shall not in any way limit remedies of law or in equity otherwise available to the parties hereto.

\* \* \* SIGNATURES APPEAR ON THE FOLLOWING PAGE \* \* \*

IN WITNESS WHEREOF:

CASELLA WASTE SYSTEMS, INC.

By: BOL  
Name: Brian Oliver  
Title: Vice President  
Date: 10/29/12

USA ENERGY GROUP, LLC

By: JANER  
Name: John A. Noer  
Title: President  
Date: 10-29-12

PENOBSCOT ENERGY RECOVERY  
COMPANY, LIMITED PARTNERSHIP

By: USA Energy Group, LLC  
Its: Managing General Partner

By: JANER  
Name: John A. Noer  
Title: President  
Date: 10-29-12

PINE TREE WASTE, INC.

By: BOL  
Name: Brian Oliver  
Title: Vice President  
Date: 10/29/12

NEW ENGLAND WASTE SERVICES OF ME,  
INC.

By: BOL  
Name: Brian Oliver  
Title: Vice President  
Date: 10/29/12

ESOCO ORRINGTON, LLC

By: JANER  
Name: John A. Noer  
Title: President  
Date: 10-29-12